



Housing for All: Affordability, Inclusivity, and Sustainability

LEGAL FRAMEWORK ON REVERSE MORTGAGES FOR THE ELDERLY: INTERNATIONAL EXPERIENCE AND LESSONS FOR VIETNAM

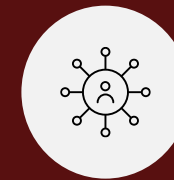
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Housing Wealth & Income Needs



Sell the home

Release housing wealth, but arrange alternative housing and potentially leave a familiar community.



Conventional mortgage

Borrow against the home, but make regular repayments from retirement income.



Policy challenge

Access housing wealth while protecting residence, informed choice and sustainable risk-sharing.

Research Question & Approach



What legal architecture would allow Vietnam to test reverse mortgages safely?



Doctrinal analysis of Vietnamese law and functional comparison with the United States, South Korea and China.

Central thesis: Existing legal foundations; additional safeguards and coordinated risk-sharing needed.

Product Mechanics



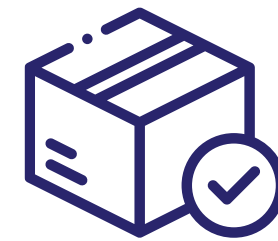
Lenders

Advances
→



Older homeowners

Retains
title
→



Secured home

Interest and fees accumulate

No scheduled debt payments while occupancy conditions hold

Settlement follows death, sale or permanent departure, subject to protected occupancy

Risk-Sharing Models

Jurisdiction / model	Institutional arrangement	Lesson for Vietnam
United States / HECM	Federal mortgage insurance	Protection also needs servicing oversight
South Korea / Home Pension	Public guarantee	A public guarantee supports the retirement-income model
China / 2014 pilot	Mortgage and pension insurance	Pilots require credible risk allocation

Each model must identify who bears the long-term risks.
12 U.S.C. § 1715z-20; HF, programme materials; CIRC (2014); GAO (2019)

2%

**Cumulative
enrolment relative to
eligible homeowners
South Korea · End-
2025**

Consumer Demand



Participation factors

Product understanding · Inheritance preferences · Eligibility · Price · Trust
Institutional support alone does not guarantee participation

FSC, 5 February 2026; Kim & Kim, "Reverse Mortgages in Korea: An International Comparative Perspective", Review of European Mortgage Markets, Q4 2025, p. 18.

01. Security

Mortgages without
dispossession and
future or conditional
secured obligations

02. Collateral

Eligible land-use
rights and attached
housing

03. General protections

Consumer protection, marital property,
co-ownership and succession



Vietnam's Legal Foundations

Civil Code 2015, arts. 293–294, 297, 308, 317; Land Law 2024, arts. 45, 133, 171





Non-Recourse Protection

Existing general framework

**A collateral shortfall
may remain an
unsecured obligation,
subject to applicable
rules and agreement.**

Proposed reverse-mortgage rule

**Recovery is limited to the
secured home's net
proceeds.**

**Other estate assets
remain outside recovery
for the shortfall.**

Property & Occupancy Rights

Title and consent

- Verify housing and land-use rights, ownership shares, marital interests and required consents.

Protected occupation

- Clarify who may remain in the home and under what conditions.

Succession

- Coordinate enforcement with succession and estate administration.



HOME
Asset
and
place of residence

Four Legal Priorities

Problem	Required clarification
Balance growth and maturity	Permitted interest accumulation, distinction from default charges, and maturity triggers
Recourse and succession	Home-only recovery and a predictable estate settlement process
Title and occupation	Required consents and protected occupancy rights
Cumulative cost	Clear illustrations of debt accumulation over time

Lifecycle Safeguards

01.

Before signing

Independent
counselling
Comprehension
check
Appropriate
cooling-off
period

02.

During occupation

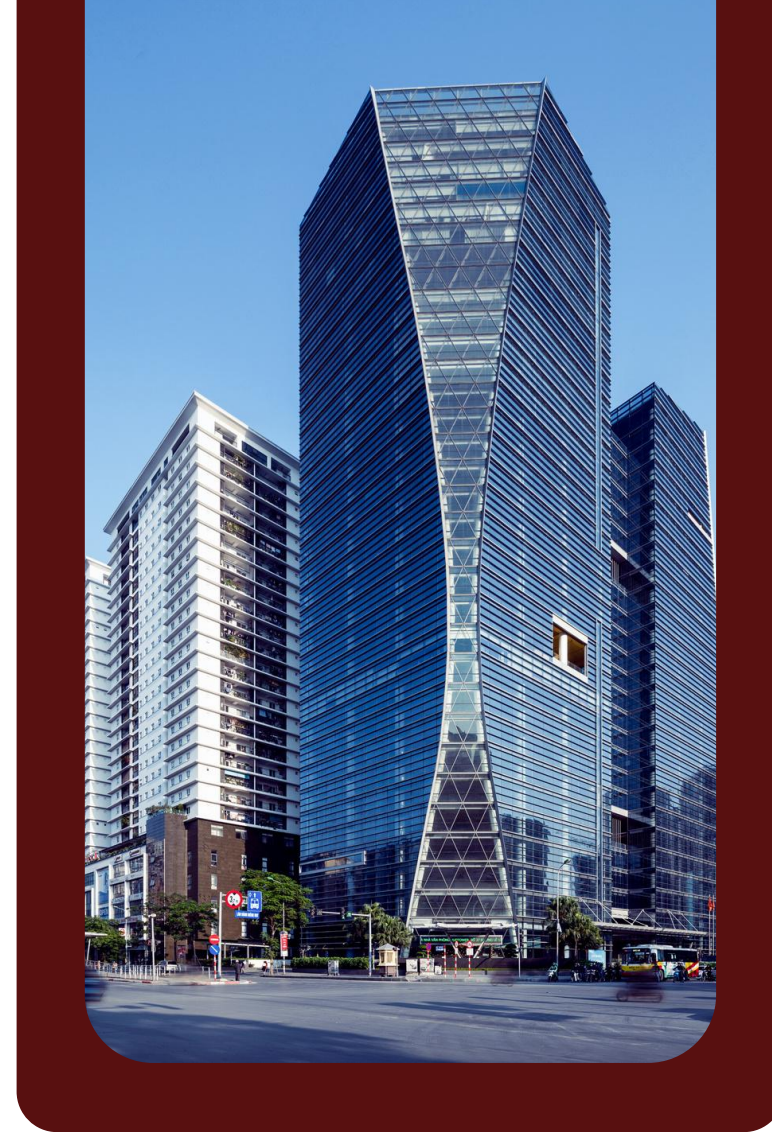
Regular balance
and cost
statements
Notice of defined
breaches
Opportunity to
remedy breaches

03.

At settlement

Protected-spouse
assessment
Estate repayment
options
Non-recourse and
surplus return

Risk Bearers & Funding



Lender responsibility

Insurance or guarantee, if introduced

Continuing protection

Underwriting quality and responsibility for misconduct

Defined eligible losses, reserves, funding sources and exposure limits

Non-recourse protection remains enforceable if new lending stops

Pilot Design & Evaluation

01.

Design

Standard contracts ·
Valuation ·
Counselling ·
Servicing ·
Risk-sharing

02.

Limited origination

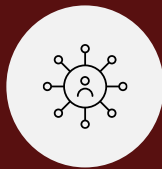
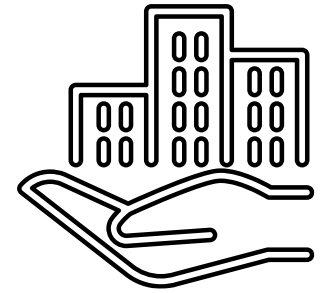
Proposed three-year window ·
Loan-number cap ·
Financial exposure cap

03.

Independent evaluation

Early: understanding, housing stability and complaints.
Longer term: settlement outcomes and losses.

Contribution to Housing for All



Affordability

Housing equity may support living and care costs; debt and fees reduce remaining equity.



Inclusivity

Benefits eligible older homeowners; limited reach for renters, low-value properties and unclear mortgageable rights.



Sustainability

Continued residence requires enforceable safeguards and long-term financial viability.



Research Limitations



Study contribution

Legal analysis and a proposed
framework for controlled testing

Further research

Vietnamese demand · Willingness to
pay · Actuarial costs · Fiscal exposure
· Distributional effects

Key Takeaways

1	Legal foundations	Existing mortgage law provides a starting point.
2	Coordinated safeguards	Debt and maturity · Recourse and succession · Property and occupation · Cumulative costs
3	Evidence before expansion	Controlled testing must assess household benefit, demand and long-term financial exposure.



Questions & Discussion



THANKS FOR LISTENING!

The transaction preserves ownership at entry

Transaction	Ownership at entry	Core obligation
Reverse mortgage	Homeowner retains title	Secured debt, deferred settlement
Ordinary mortgage	Homeowner retains title	Repayment under agreed schedule
Sale and leaseback	Buyer acquires title	Former owner pays rent
Conditional gift for care	Title passes under gift terms	Care condition, no credit debt

Civil Code 2015, arts. 317, 462; manuscript, Legal and Structural Distinctions

The comparison examines four institutional questions

Risk allocation

Who bears
longevity, negative
equity and provider
failure?

Consumer protection

What protects
informed choice and
continued
occupation?

Participation

What do
observed take-up
and survey
findings
establish?

Household context

How do title,
inheritance
preferences and
product terms
interact?



A purposed settlement process protects choice

Verified trigger	Confirm maturity and any protected spouse's status	1
Notice and valuation	Notify estate representatives and identifiable heirs	2
Election period	Repay, refinance, sell voluntarily or surrender	3
Realization	Enforce after safeguards, return any lawful surplus	4

Manuscript, Core Legal Conditions; Civil Code 2015, arts. 308, 615, 658, 661